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October 4, 2011

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## VIA ECF

Honorable Richard M. Berman, USDJ United States District Court, Southern District of New York 500 Pearl Street, Courtroom 21D New York, NY 10007

Re:

G Investors Holding, LLC. as successors in interest to Stephen Carb as

Trustee of Lollytogs, Inc. Trust v. Lincoln Benefit Life Company Inc., 09-

CV-2980 (RMB) (KNF) Our File No: 09-103

Dear Judge Berman:

This firm represents Plaintiff in the above-referenced action. Consistent with our September 26, 2011 correspondence "So Ordered" by Your Honor, this correspondence serves as Plaintiff's limited Sur-Reply to address Exhibits "B" and "C" submitted by Defendant as part of its Reply papers in further support of its Motion for Summary Judgment. Defendant, without a connecting affidavit or other authentication documentation, proffered said exhibits in connection with its conclusory pronouncement that James Wilson ("Wilson"), Plaintiff's insurance broker, was advised that conversion rights were not available under the life insurance policies proposed, and ultimately issued, by Defendant. However, a careful review of these exhibits, together with documents inexplicably omitted by Defendant, illustrate that the inferences drawn by Defendant cannot be supported utilizing the proposed exhibits.

<sup>&</sup>lt;sup>1</sup> The September 23, 2011 Declaration of Richard M. Resnik, submitted in further support of Defendant's summary judgment motion, annexes Exhibits "B" and "C" thereto, yet mistakenly refers to said annexed exhibits in the Declaration as Exhibits "A" and "B" respectively. For purposes of this Sur-Reply, Plaintiff will refer to the exhibits in question as they were physically annexed to counsel's Declaration – i.e. Exhibits "B" and "C."

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At the outset, there is simply no evidence by way of testimony or otherwise that Exhibit "B," a summary of various life insurance policy proposals (contained only in Second Opinion's file), was sent to and/or received by Wilson as part of the August 18, 1999 facsimile from Second Opinion to Wilson – i.e. Exhibit "C." Interestingly, a document contained in Second Opinion's file – document Bates Stamped SO 00107 – is similar to Exhibit "B" as it is a summary of the various life insurance policies proposed for the insured. As set forth below, however, it is questionable as to whether this document was sent to Wilson as well<sup>2</sup>. However, a comparison of SO 00107 with Exhibit "B" reveals that said documents are in fact materially different insofar as the SO 00107 proposal enumerates an additional insurance carrier, North American Company for Life and Health, who provided premium quotes. A copy of Bates Stamped document SO 00107 is annexed hereto as "Exhibit A."

Nonetheless, to the extent Defendant now seeks to utilize SO 00107 in support of its proposition – i.e. that Wilson was apprised in writing of those carriers offering and not offering conversion rights - a serious question of fact exists as to whether document SO 00107 was even sent to Wilson. As reflected on Exhibit "C," bearing Bates Stamped SO 00104, a total of three pages, including the fax cover sheet, were transmitted to Wilson. This fax cover sheet is then followed in the Second Opinion document production by documents Bates Stamped SO 00105, 00106 and 00107. Consequently, a question arises as to which two documents were transmitted along with the fax cover sheet<sup>3</sup>. Regrettably, there are no fax telltales on any of the documents

<sup>&</sup>lt;sup>2</sup> Neither Defendant's Exhibit "B" nor SO 00107 were contained in the subpoenaed files of Wilson.

<sup>&</sup>lt;sup>3</sup> It would be utter speculation for Defendant to suggest that the total number of pages transmitted as reflected on the fax covers sheet is a typographical error.

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produced to assist in answering this question. However, a careful review of Exhibit "C" together with the two documents immediately following in production, documents SO 00105 and SO 00106, would suggest that said two documents were transmitted to Wilson and not SO 00107. A copy of Bates Stamped documents SO 00105 and SO 00106 are annexed hereto as "Exhibit B." Specifically, Exhibit "C" makes explicit reference to an attached spreadsheet as well as the fiscal health of the various proposed carriers, which are consistent with documents SO 00105 (the spreadsheet) and SO 00106 (a document concerning the fiscal health of various carriers). Accordingly, based on a description of the documents transmitted, it is reasonable to conclude that only SO 00105 and SO 00106 – and not Exhibit "B" or SO 00107 - were transmitted to Wilson along with Exhibit "C." Neither SO 00105 nor SO 00106 contain any discussion, no less any reference, to conversion rights of the various policies.

While at her deposition Laura Lendin of Second Opinion acknowledged transmitting the Exhibit "C" fax cover sheet, Ms. Lendin provided no testimony as to which documents were transmitted together therewith. In fact, although document SO 00107 was inadvertently attached and subsequently presented to Ms. Lendin together with Exhibit "C" as a single document, a careful review of Ms. Lendin's testimony reflects that she never affirmatively stated to have sent SO 00107 to Wilson as part of the fax transmittal or at any other time. It is further noteworthy that neither Exhibit "B" nor SO 00107 were among the documents contained in Wilson's file visà-vis Plaintiff and/or the insured – a file which was produced pursuant to a subpoena *duces tecum* served upon Wilson by Defendant. Thus, to reassert, absent a scintilla of evidence suggesting that either Exhibit "B" or SO 00107 were sent to and/or received by Wilson, this

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Court can reasonably conclude, based on a review of the discovery at bar, that a factual issue exists as to whether only SO 00105 and SO 00106 were transmitted to Wilson as part of Exhibit "C" and/or whether Exhibit "B" or SO 00107 were ever received by Wilson. Accordingly, Defendant's inclusion of Exhibit "B" in the record together with the ensuing assertion that Wilson was advised of Defendant's purported lack of conversion rights is not only unsupported by the discovery at bar, but is also misleading to this Court.

Respectfully submitted,

WEG AND MYERS, P.C

Joshua L. Mållin (JM0474)

Cc: Via E-Mail and Regular Mail

Seyfarth Shaw, LLP Attorneys for Defendant 620 Eighth Avenue New York, New York 10018



Pick Six Policy Analysis - Page 5 of 5

for SAM GINDI by SECOND OPINION

Face Amount: 35,000,000

Age Last: 75 Nearest: 75

Male Preferred+ Non-smoker

A.M. Best Ratings \*\*

Policy

A+ r XV (6-8-98)

1 - Lincoln Benefit Life Company

Preferred Plus Level Best Platinum 10
Renewable to age 95 (Tage last)
10 Year level term with an annual premium of \$742,050.00 guaranteed for 10 years

Other Rodes: Monthly \$63,075.10, Quarterly \$200,356.21, Semi-annual \$385,871.19

Shewable to age 95, convertible to age 77 (age last))
10 Year level term with an annual premium of \$200,7550.00 guaranteed for 10 years
Other Modes: Monthly \$72,329.40, Quarterly \$200,951.59, Semi-annual \$417,903.18 e Midland Life Insurance Company

A VIII (2i-23-98) AMB # 06710

Renewable to age 94 (age nearest)

10 Year level term with an annual premium of \$821,485.00 guaranteed for 10 years
Other Modes: Monthly \$71,879.94, Quarterly \$213,586.09, Semi-annual \$418,957.34 A+ VIII (4-19-99) AMB # 06468

Banner Life Insurance Company

OFTerm 10 - 10 Year Tape

A VIII (2-22-99) AMB # 06827

North American Company for Life & Health

BR-10 - 10 Year R & C

Renewable to age 95, convertible to age 80 (age nearest), 10 Year level term with an annual premium of \$535,550.00 guaranteed for 10 years Other Modes: Nonthly \$73,193.75, Quarterly \$238,402.50, Semi-annual \$443,344.98

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gu XIV (2-18-59)

Transamerics Occidental Life Insurance

endsetter Super 10

reable to age 95 (age lett)

Tear level term with an annual premium of \$865,970.00 guaranteed for 10 years
Other Nodes: Monthly \$75,772.37, Quarterly \$229,482.04, 8emi-annual \$450,304.38 AMB #:06848

Renewable to age 95, convertible to age 80 (age last) )
10 Year level term with an annual premium 05-4927\_529 00 guaranteed for 10 years
Other Modes: Monthly \$86,264.50, Semi-annual \$482,339.98 Special T - 10 Year Guarantee The Travelers Insurance Company

Løgend: \*\*

please refer to first page for Guide to A.M. Best Ratings

A+ g IX (9-25-97)

AMB # 08429

but we cannot quarantee accuracy and are not liable for errors NOTE: Every effort has been made to assure the accuracy of this information ķ

Summary of Policies)

August 18, 1999

00107 SO



Pace And	Pace Amount: 35,000,000	Pace Amount: 35,000,000 Age Last: 75	S Nearest: 75	Male Prefer	Preferred+ Non-smoker	200			
1 Lince 2 The North	Lincoln Benefit Life Company The Midland Life Insurance Co Banner Life Insurance Company North American Company for Li Transamerica Occidental Life	Lincoln Benefit Life Company The Midland Life Insurance Company Banner Life Insurance Company North American Company for Life & Health Transamerica Occidental Life Insurance	ä	Preferred Plus Level Best Platinum 1 Next Generation - 10 Year R & C herm OFFrem 10 - 10 Year Term SR-10 - 10 Year R & C Trandsetter Super 10	est Platinum 10 ear R & C herm	ישייניינייני מינייני מינייני מיניינייניינייניינייניינייניינייניינייני	The Travelers Insurance Company	Special T - 10 Year Guarantee	9
Year	Policy 1	Policy 2	Policy 3	Policy 4	Policy 5	Policy 6			
	742,060.00	803,660.00	821,485.00	836,500.00	865,970.00	927,575.00			
	742,060.00	803,660.00	821,485.00	836,500.00	865, 970, 00	927, 575.00			
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vı	742,060.00	803,660.00	821,485.00	836,500.00	865,970.00	927, 575.00			
₫N.	742,060,00	803,660.00	821,485.00	836,500.00	865,970.00	927, 575.00		K	
7	742,060.00	803,660.00	821,485.00	836,500.00	865,970.00	927, 575.00			
ഴ മ	742,060.00	803,660,00	821,465.00	836,500.00	865,970.00	927,575.00			
10	742,060.00	803,660,00	821,485.00	836,500.00	865,970.00	927, 575, 00			
11	10,242,460.00	14,200,260.00	8,267,735.00	10,435,600.00	17,686,270.00	11,002,325.00			
13	10,942,110.00	15,455,710.00	10,840,235.00	13,890,450.00	19,727,470.00	12,040,425.00			
14	12,667,960.00	18,026,110.00	16,795,836.00	15,865,500.00	24,224,970.00	15,041,325.00			
Ü	11,572,710.00	19,330,110,00	19,001,336.00	17,736,800.00	26,693,170.00	16,622,975.00			
14	14,490,760.00	20,741,060.00	20,634,636.00	19,309,850.00	29,316,770.00	18,306,124.00			
	15,420,360.00	22,212,810,00	22,751,436.00	20,501,950.00	32,146,870.00	20,171,276.00			
19	17.310.710.00	25,907,510,00	25,079,284.00	21,451,850,00	33,610,968.00	22,162,776.00			
20	18,270,060.00	28,303,160.00	29,335,984.00	23,253,650,00	33,619,672,00	26,472,324.00			
	۰								

NOTS: Every effort has been made to assure the accuracy of this information but we cambot guarantee accuracy and are not liable for errors or omissions.

SO 00105

August 18, 1999

Controlink Insurance & Financial Services
Fick Six Policy Analysis - Page 3 of 5

(GUARANTEED Maximum Premiums)





Total Admitted Assets Total Llabilities	こう ここころう イン・シスター ない	**Relative financial strength and operating performance in comparison with industry norms.	inese raings raised the company's abitity to meet its contractual obligations. All ratings shown are current as of July 15, 1999,
29,144,	Ĉ,	comparison	nd are not ractual 99.

Total Admitted Asserts Total Labinited Separate Accounts Total Labinited Asserts Total Labinited Separate Accounts Separate Accounts A % of General Account Asserts TOTAL Separate Account	1,237,602 686,388  96,459  1,237,602 686,388  96,489  1,237,602 686,388  96,48  0.0%  0.0%  0.0%  0.0%  1,237,602  1,237,602  1,237,602  1,237,602  1,237,602  1,237,602  1,237,602  1,237,602  1,237,602  1,237,602  1,237,602  1,237,602  1,237,602  1,237,602  1,237,602	7.55% 7.55% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%	7,71% 1.1% 1.4% 0.0% 2.5% 0.3% 2.1,639,464 92,5% 7.2% 0.1% 1.4 7,882,108 5,029,528 279,470 204,393	5 Year Average (Industry Average 7,52%)  10 11 20 20 20 20 20 20 20 20 20 20 20 20 20
29,144,672 19,883,890 41,243,525 1,482,340 886,902 1,1716,7785 3,443,277 13,148,349 10 50,687 2,788,844 2,244,778 5,329,654 191,959 195,863 10,22% 13,12% 19	1,237,802 286,525 1,287 286,525 1,287 1,287 1,287 1,287 1,287 1,287 1,287 1,287 1,38	7,33% 7,55% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 12,708,185 14,9% 5.1% 0.0% 1.4 4,682,841 1,972,414 62,208	7:71% 1.1% 1.4% 0.0% 2.5% 0.3% 0.3% 0.3% 7.28% 0.1% 1.4 7.882,108 5.625,526 279,470	5 Year Average (Industry Average 7,82%)  IDITATE OUTBINITY AVERAGE 7,82%)  Bonds in or Near Default  Problem Mortgages  Real Estate Acquired by Foreclosure  Total Non-Performing Assets  As a Percent of invested Assets  As a Percent of invested Assets  Total Value of Bonds  Class 1-2: Highest Quality  Class 3-5: Lower Quality  Class 3-5: Lower Quality  Class 6: In or Near Default  Weighted Bond Class  INVOITE Partiful Total Income  Total Income  Remings Before Dividends and Taxys
20144.572 19828380 41245255 1,492,340 888.802 4,284,785 5,249,525 1,249,525 1,259,640 10,175,765 3,443,277 13,148,304 10,1959 725,194 1,1715,765 3,443,277 13,148,304 10,1959 198,863 11,22% 2,143,277 13,148,304 10,1959 198,863 11,22% 11,22% 11,23% 12,25% 18,26% 12,25% 18,26% 12,25% 18,26% 12,25% 18,26% 12,25% 198,863 12,25% 198,863 11,26% 12,25% 10,45	4.99% 0.5% 5.8% 2.8% 2.8% 2.8% 2.8% 2.8% 2.8% 2.8% 2	7.33% 7.55% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 12,708,195 14,9% 5.1% 0.0% 1.4	7,71% 1.1% 1.4% 0.0% 2.5% 0.3% 0.3% 1.2% 0.1% 1.2% 0.1% 1.4% 0.1% 1.4% 0.1% 1.4% 0.1% 0.1% 0.1% 0.1% 0.1% 0.1% 0.1% 0.1	5 Year Average (Industry Average 7,52%)  IDITATE OUT THE PROPERTY OF THE PROPERTY OF Near Default  Bonds in or Near Default  Bronds in or Near Default  Problem Mortgages  Real Estate Acquired by Foreclosure  Total Non-Performing Assets  As a Percent of invested Assets  State Non-Performing Assets  As a Percent of invested Assets  State Non-Performing Assets  Class 1-2: Highest Quality Class 1-2: Highest Quality Class 3-5: Lower Quality Class 3-5: Lower Quality Class 6: In or Near Default  Weighted Bond Class  Income  Nat Premium Income  Total Income  Nat Premium Income
20,144,672 19,883,850 1,262,545 1,482,340 888,802 1,176,765 3,433,277 13,148,344 130,289,688 1,176,765 3,433,277 13,148,344 10 50,687 12,588,349 19,288 1,176,765 3,433,277 13,148,344 130,289 198,983 1,176,765 19,288 1,278, 228,432,277 13,148,344 191,989 198,983 1,178, 192,984 191,989 1	4.69% 0.59% 0.59% 0.59% 0.59% 0.59% 0.59% 0.59% 0.59% 0.09%	7,33% 7,55% 0,0% 0,0% 0,0% 0,0% 0,0% 0,0% 12,70e,185 14,9% 5,1% 0,0% 1,4	7,342% 7,71% 1.1% 1.4% 0.0% 2.5% 0.3% 21,639,464 92.6% 7.2% 0.1% 1.4	5 Year Average (Industry Average 7.52%)  (Diparate Jurulin)  Bonds in or Near Default  Problem Mortgages  Real Estate Acquired by Foreclosure  Total Non-Performing Assets  As a Percent of invested Assets  State Office of Sonds  Chase 1-2: Highest Quality Class 3-5: Lower Quality Class 3-5: Lower Default  Weighted Bond Class  Incommediate of Industry  Total Industr
20,144,672 19,883,890 41,243,525 1,492,340 888,802 1,1715,785 3,443,277 13,146,304 1,19,299 728,194 1,0 1,1715,785 3,443,277 13,146,304 191,659 186,863 1 1,172% 13,146,304 191,659 186,863 1 1,10,27% 13,778 15,296,640 191,659 186,863 1 1,10,27% 13,778 19,076 19,076 191,659 186,863 1 1,10,27% 13,778 19,076 19,076 191,659 186,863 1 1,172% 12,172% 19,076 19,076 191,659 181,176 191,659 191,659 191,659 191,659 191,659 191,659 191,659 191,659 191,659 191,659 191,659 191,75% 10,47% 19,076 191,75% 10,47% 19,076 191,75% 10,47% 19,076 191,75% 10,47% 19,076 191,75% 10,47% 191,75%	4.9% 0.5% 0.5% 0.5% 0.5% 0.5% 0.5% 0.5% 0.5	7.33% 7.55% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 12.70e,185 14.9% 5.1% 0.0%	7,71% 1.1% 1.4% 0.0% 2.5% 0.3% 2.5% 0.3% 7.2% 0.1% 1.4	5 Year Average (Industry Average 7,52%)  (Diperate Untrolly)  Bonds in or Near Default  Problem Mortgages  Real Estate Acquired by Foreclosure  Total Non-Performing Assets  As a Percent of invested Assets  State Office of State Country  Total Value of Bonds  Chass 1-2: Highest Quality Class 3-5: Lower Quality Class 3-5: Lower Opfault  Weighted Bond Class  (Note of State Office of
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220,144,572 19,833,850 41,243,525 1,482,340 888,802 1,1716,785 3,443,277 13,146,304 1,313,292 726,194 1,0 1,716,785 2,788,864 2,244,778 5,328,564 191,959 195,963 1,1716,785 192,864 191,959 195,963 1,1716,785 192,864 191,959 195,963 1,1716,785 192,864 191,959 195,963 1,1716,785 192,964 191,959 195,963 1,1716,785 192,964 191,959 195,963 1,1716,785 192,964 191,959 195,963 1,1716,795 192,964 191,959 1,148,383 190,365 1,1716,795 192,964 19	4.5% 6.5% 2.5% 5.5% 5.5% 6.5% 6.85% 6.75%		7,71% 7,71% 1.1% 1.4% 0.0% 0.3% 0.3% 21,639,464 92,6% 7.2% 0.1%	5 Year Average (Industry Average 7,52%)  (Discrete Average (Industry Average 7,52%)  Bonds in or Near Default  Bonds in or Near Default  Problem Mortgages  Real Estate Acquired by Foreclosure  Total Non-Performing Assets  As a Percent of invested Assets  As a Percent of invested Assets  Class 1-2: Highest Quality  Class 1-2: Highest Quality  Class 6: In or Near Default
220,144,572 19,883,850 41,243,525 1,482,340 388,602 1,1716,785 8,443,277 13,146,340 1,313,929 726,184 1,0 1,716,785 2,788,864 2,244,778 5,328,564 191,959 185,863 1 1,02% 19,25% 11,25% 2,5% 9,4% 9,45% 0,05% 0,05% 11,25% 2,5% 9,4% 9,45% 0,05% 0,05% 11,25% 1,25% 9,45% 0,05% 0,05% 1,25% 11,25% 1,25% 9,45% 0,05% 0,05% 1,25% 1	4.8% 6.83% 6.5% 5.8% 2.8% 2.2% 0.0% 6.83% 6.78% 6.78% 6.78% 6.83% 6.78% 6.78% 6.83% 6.78% 6.83% 6.78% 6.78% 6.83% 6.78% 6.78% 6.78% 6.78% 6.78% 6.78% 6.78% 6.78% 6.78% 6.3% 6.3% 6.3% 6.3% 6.3% 6.3% 6.3% 6.3		7:71% 7:71% 1.1% 1.4% 0.0% 2.5% 0.3% 2.5% 0.3% 2.5% 0.2%	5 Year Average (Industry Average 7,52%)    Value   Average   Average 7,52%
201,14,672 19,883,830 41,243,525 1,482,340 886,802 1,176,786 3443,277 13,148,344 10,009,688 1,313,929 7526,194 10,009,688 1,176,786 2,443,778 13,148,344 11,009 508 1,176,786 11,009,684 191,959 185,863 1 19,02% 19	4.5% 5.5% 2.5% 5.5% 5.5% 5.5% 5.5% 5.5% 5		7:71% 7:71% 1.1% 1.4% 0.0% 2.5% 0.3% 2.1,639,464 92.5% 7.2%	5 Year Average (Industry Average 7,82%)    State
20,144,672 19,883,830 41,243,525 1,482,340 886,802 1,176,786 3,443,277 13,143,344 13,13,929 725,194 1,0 50,657 1,176,786 3,443,277 13,143,344 19,599 195,863 1 10,2% 19,	4.59% 6.59% 2.8% 2.8% 2.2% 0.0% 6.78% 6.78% 6.78% 6.78% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.		7:71% 7:71% 1.1% 1.4% 0.0% 2.5% 0.3% 2.5% 0.3% 2.5% 0.3% 2.5% 0.3% 0.3%	5 Year Average (Industry Average 7,52%)  Note: The Committee of State Acquired by Foreclosure  Total Non-Performing Assets  As a Percent of Invested Assets  As a Percent of Invested Assets  Total Value of Bonds  Class 1-2: Highest Quality
28,144,872 19,883,830 41,243,525 1,492,340 886,802 1,115,2719,246 19,059,688 36,289,689 1,313,929 725,194 1,0 50,685 1,715,725 3,443,277 13,145,304 6,595,281 1,0 50,685 1,0 50,	4.89% 0.59% 2.8% 2.8% 2.2% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0	7.55% 0.0% 0.0% 0.0% 0.0% 0.0%	7,71% 7,71% 1,1% 1,4% 0,0% 0,3% 0,3%	5 Year Average (Industry Average 7,82%)  District Correling MA  Bonds in or Near Default  Problem Mortgages  Real Estate Acquired by Foreclosure  Total Non-Performing Assets  As a Percent of Invested Assets
29,144,572 19,883,330 41,243,525 1,492,340 888,802 1,1 1,213,926 28,719,246 19,039,688 1,313,929 725,184 1,0 1,039,688 1,313,929 725,184 1,0 1,039,688 1,313,929 725,184 1,0 1,039,688 1,313,929 725,184 1,0 1,0 1,039,688 1,313,929 725,184 1,0 1,0 1,039,683 1,148,304 0 0 1,039,683 1,148,304 0 1,039,883 1,148,304 1 1,0 1,039,884 1,148,383 1,12,9% 191,959 185,983 1,1 1,03% 1,12,9% 191,959 1,12,9% 191	4.9% 9.5% 5.8% 2.8% 2.2% 0.0% 6.83% 6.78% 6.83% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%	7.55% 7.55% 0.0% 0.0% 0.0%	7,71% 7,71% 1,1% 1,4% 0,0% 0,3%	5 Year Average (Industry Average 7,52%)  (Industry Average (Industry Average 7,52%)  Bonds in or Near Default  Broblem Mortgages  Real Estate Acquired by Foreclosure  Total Non-Performing Assets  As a Percent of invested Assets
29,144,572 19,883,830 41,243,525 1,422,340 686,802 1,115,762 58,43,277 13,145,304 13,13,229 726,184 1,0 686,802 1,115,765 343,277 13,145,304 191,529 165,685 1,02% 19,27% 10,4% 7,28% 19,27% 10,4% 7,28% 19,27% 10,4% 7,28% 19,27% 10,4% 7,28% 19,47% 10,4% 7,28% 19,47% 10,4% 7,28% 19,47% 10,4% 7,28% 10,0% 10,1	4.9% 0.5% 5.8% 2.8% 2.2% 0.0% 6.83% 6.78% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%	7.35% 7.55% 0.0% 0.0% 0.0%	7,71% 7,71% 1,1% 1,4% 0.0% 2,5%	5 Year Average (Industry Average 7,52%)  (Industry Average 7,52%)  Bonds in or Near Default  Broblem Mortgages  Real Estate Acquired by Foreclosure  Total Non-Performing Assets
20,144,572 16,883,830 41,243,525 1,452,340 388,802 1,1 28,719,248 18,03,668 362,268,668 1,313,929 725,184 1,0 28,719,248 19,136,83 36,248,277 13,148,304 0 50,657 2,788,844 2,244,778 5,329,564 191,959 185,963 1 10,276 13,776 13,148,368 191,959 185,963 1 10,276 13,776 19,076 1	4.89% 0.5% 5.89% 2.8% 2.2% 0.0% 6.85% 6.79% 6.83% 0.0% 0.0% 0.0% 0.0% 0.0%	7,33% 7,55% 0.0% 0.0%	7,71% 7,71% 1,1% 1,4% 0,0%	5 Year Average (Industry Average 7.52%)  LOTE STATE OF THE AMERICAN AND ASSOCIATION OF THE ASSOCIATION OF THE AMERICAN AND ASSOCIATION OF THE AMERICAN AND ASSOCIATION OF THE
20,144,572 19,883,830 41,243,525 1,492,340 388,802 1,1 28,719,248 18,03,668 36,208,669 1,313,929 725,184 1,0 1,715,765 3,443,277 13,146,304 0 50,657 2,788,844 2,244,778 5,322,564 191,959 185,963 1 10,2% 13,7% 19,0% 1	4.8% 0.5% 0.5% 5.8% 5.8% 0.5% 0.5% 0.5% 0.5% 0.5% 0.5% 0.0% 0.0	7.55% 7.55% 0.0%	7,71% 7,71% 1,1% 1,4%	5 Year Average (Industry Average 7,82%)  10.5-3-3-3-3-3-3-3-3-3-3-3-3-3-3-3-3-3-3-3
20,144,572 19,883,830 41,243,525 1,492,340 388,802 1,1 28,719,246 18,03,668 1,313,929 725,194 1,0 1,715,765 3,443,277 13,146,304 0 50,657 2,788,844 2,244,778 5,329,644 191,959 195,963 1 10,2% 13,7% 19,0% 19,0% 19,0% 19,0% 19,0% 10,2% 13,7% 19,0% 19,0% 19,0% 19,0% 10,2% 15,580,189 27,555,939 1,448,383 909,345 1,1 4,7% 11,8% 10,4% 7,8% 9,4% 0,0% 0,1% 0,1% 0,0% 11,8% 2,5% 9,4% 0,0% 0,0% 0,1% 0,0% 1,8% 1,2% 1,8% 1,2% 1,8% 1,2% 1,8% 1,2% 1,8% 1,2% 1,8% 1,2% 1,8% 1,2% 1,8% 1,2% 1,8% 1,2% 1,8% 2,5% 1,8% 2,5% 1,8% 1,2% 1,8% 2,5% 1,8% 2,5% 1,8% 1,2% 1,2% 1,8% 1,2% 1,2% 1,2% 1,2% 1,2% 1,2% 1,2% 1,2	4.9% 0.5% 5.8% 2.8% 2.2% 0.9% 6.66% 6.76% 6.83% 6.76%	7.33% 7.55%	7:71% 7:71%	5 Year Average (Industry Average 7,82%)  On The Average (Industry Average 7,82%)  Bonds in or Near Default
20,144,572 19,883,830 41,243,525 1,492,340 388,902 1,1 28,719,246 18,032,675 32,626,666 1,313,929 725,184 1,0 1,715,7765 3,443,277 13,145,304 0 50,657 0 50,657 2,789,844 2,244,778 5,329,544 191,959 185,963 1 10,2% 13,7% 19,9% 19,9% 19,9% 19,8% 19,9% 19	4.9% 0.5% 5.8% 2.8% 2.2% 0.0% 6.85% 6.78% 6.85% 6.78%	7.33% 7.55%	7,71%	5 Year Average (Industry Average 7,92%)
ets 29,144,572 19,883,830 41,243,525 1,492,940 888,802 1,1 26,719,246 18,039,668 36,289,659 1,313,929 726,184 1,0 5,045,668 36,289,659 1,313,929 726,184 1,0 5,045,678 3443,277 13,145,304 0 50,657 10,276 13,276 13,276 191,959 195,963 1 1,0276 13,276 13,276 191,959 195,963 1 1,0276 13,276 13,276 191,959 194,963 1 1,0276 13,276 191,959 194,963 1 1,0276 13,276 191,959 1,448,383 809,355 1,1 27,976 191,976 11,2	4.8% 0.5% 0.5% 2.8% 0.0% 0.0% 0.57% 0.57%	7.33%	7.32%	
ets 28,144,572 19,883,830 41,243,525 1,482,940 888,802 1,1 28,719,246 18,039,668 36,299,669 1,313,929 726,194 1,0 36,299,669 1,313,929 726,194 1,0 50,657 1,715,765 3,443,277 13,145,304 0 50,657 10,278 10,278 10,278 13,278 5,329,564 191,959 185,963 1 1,02% 19,278 19,27	4.9% 0.5% 5.8% 2.6% 5.8% 0.0%	7.33%	1.32%	
ets 29,144,572 19,883,830 41,243,525 1,492,340 888,802 1,18 28,719,246 19,039,668 36,269,669 1,313,929 725,194 1,08 725,719,246 2,743,775 13,146,304 0 50,457 13,785 1,278,864 2,244,778 5,329,564 191,959 195,963 12 10,2% 19,2% 19,2% 19,2% 19,2% 19,2% 19,2% 19,2% 19,2% 19,2% 19,2% 19,2% 19,2% 19,2% 19,2% 19,2% 19,2% 12,2% 19	4.8% 0.5% 5.8% 2.8% 0.0%	1	1 220	1998 (Industry Average 7, 43%)
ets 29,144,572 19,883,830 41,243,525 1,482,340 888,802 1,18 26,719,246 18,039,668 36,209,669 1,313,929 725,194 1,08 7,715,765 34,747,8 5,329,564 191,959 195,863 12,000 10	4.9% 0.5% 5.8% 2.8%	1.2%	6,0,0	Chair Hadalan Varieta (20)
ets 29,144,572 19,883,830 41,243,525 1,492,340 888,802 1,18 26,719,246 18,039,668 36,209,669 1,313,929 725,194 1,08 725,719,246 2,719,246 2,244,778 5,329,564 191,959 165,863 12 1,000 10 1,000	4.8%	4 407	700 0	Other Investor Court (40)
ets 29,144,572 19,883,830 41,243,525 1,492,340 888,802 1,18 26,719,246 19,039,668 36,209,669 1,313,929 725,194 1,08 1,715,785 3,443,277 13,145,304 0 50,657 12,788,864 2,244,778 5,329,564 191,959 165,863 12 10,2% 13,7% 19,0% 12,9% 19,8% 19,8% 12,9% 19,8% 12,9% 19,8	0.000	3 20 6	1002	Cash a Short Tarry (RC)
ets 29,144,572 19,883,830 41,243,525 1,482,340 888,802 1,18 26,719,246 18,039,668 36,299,669 1,313,929 726,194 1,09 1,716,785 3,443,277 13,146,304 0 50,657 12,146,304 10,12% 13,7% 19,19% 19,199 195,963 12,146,304 10,12% 13,7% 19,19% 12,9% 19,19% 12,		3 AR	2002	Policy Loans (%)
ets 29,144,572 19,883,830 41,243,525 1,492,340 888,802 1,267,192,48 18,039,668 36,288,669 1,313,929 726,184 1,1715,785 34,719,248 18,039,668 1,313,929 726,184 1,1715,785 34,43,277 13,146,304 191,959 195,963 1,400,00mh Assets 10,2% 13,7% 13,7% 13,0% 12,9% 18,8% 19,5% 13,7% 13,7% 13,0% 12,9% 18,8% 19,5% 13,7% 13,7% 13,7% 13,0% 12,9% 18,8% 19,345 1,1% 13,7% 11,8% 12,8% 14,48,383 309,345 1,1% 11,8% 2,5% 13,4% 13,6% 13,4% 13,6%	0.175	0.7%	0.1%	Real Estate (%)
ets 29,144,572 19,883,830 41,243,525 1,492,340 888,802 1,267,192,48 19,39,568 36,298,699 1,313,929 725,184 1,313,929 1,2715,785 3,443,277 13,148,304 191,959 195,963 1,448,383 19,2% 13,7% 19,0% 12,9% 19,8%	0 70%	2.5%	11.8%	Mortgages (%)
ets 29,144,572 19,883,830 41,243,525 1,492,340 888,802 1,26,719,246 18,039,668 36,289,669 1,313,929 726,184 1,715,765 3,443,277 13,146,304 0 50,657 12,165,364 2,244,778 5,329,564 191,959 195,863 10,2% 13,7% 19,0% 12,9% 19,8% 19,8% 19,959 195,863 10,2% 13,7% 19,0% 12,9% 19,8% 19,959 19,8% 19,959 19,8% 19,959 19,8% 19,955 11,448,383 809,345 1,448,383 1,448,383 809,345 1,4	7.8%	11.8%	4.7%	Stocks (%)
ets 29,144,572 19,883,830 41,243,525 1,492,340 888,802 1,267,192,46 18,039,668 36,288,668 1,313,929 726,184 1,1715,785 31,443,277 13,146,304 191,959 195,863 1,020unit Assets 19,2% 13,7% 13,7% 19,0% 12,9% 18,8% [1,187,191,191,191,191,191,191,191,191,191,19	79.5%		79.1%	Bonds (%)
ets 29,144,572 19,883,830 41,243,525 1,492,340 888,802 1, 28,719,246 18,039,668 36,286,669 1,313,929 726,184 1, 1,715,785 34,3277 13,146,304 0 50,657 1,046,304 1,046,	1,448,383 809,355		26,930,216	Total Invested Assets
ets 29,144,572 19,883,830 41,243,525 1,482,340 888,802 1, 26,719,246 18,039,668 36,289,669 1,313,929 726,184 1, 716,785 3,443,277 13,146,304 0 50,657 R 2,789,884 2,244,778 5,329,564 191,959 165,963 1,02% 13,7% 19,0% 12,9% 19,8%				
ets 29,144,572 19,883,830 41,243,525 1,482,340 888,802 1, 26,719,246 18,039,668 36,289,659 1,313,929 726,184 1, 1,716,785 3,443,277 13,146,304 0 50,657 R 2,789,884 2,244,778 5,329,564 191,959 165,963	.12.9% 19.8%	13,7%	10.2%	As % of General Account Assets
ets 29,144,572 19,883,830 41,243,525 1,492,340 888,802 26,719,246 18,039,668 36,298,668 1,313,929 726,184 1,716,785 3,443,277 13,146,304 0 50,657	191,959 165,863	+	2,789,864	LOCAL Surplus & AVR
ets 29,144,572 19,883,830 41,243,525 1,432,340 888,802 26,719,246 18,039,668 36,269,669 1,313,929 726,184	. 0 50,657		7,/15,/85	Separate Accounts
29,144,572 19,883,830 41,243,525 1,482,340 886,802	1,313,929 726,184	_	26,719,246	solal classifices
	1,492,340 888,802		29,144,572	Total Admitted Assets

VIBSS Data for Year End 1998 from the Lie insurance companies' statutory arraual

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